

INVEST GEORGIA EXEMPTION



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SECRETARY RAFFENSPERGER IS WORKING TO ENSURE GEORGIA CONTINUES TO BE THE #1 PLACE IN THE COUNTRY TO DO BUSINESS.

As Secretary of State Brad Raffensperger is dedicating to cutting red tape and burdensome regulations – ensuring Georgia continues to lead the nation as the number one place to do business.



INVEST GEORGIA EXEMPTION

The Invest Georgia Exemption (IGE) can be a powerful tool for Georgians looking to raise capital and fund their new venture, or just grow their already thriving business. By using the IGE, Georgians can fund their business without dealing with the onerous

registration requirements of filing with the federal Securities and Exchange Commission. Instead, **Georgians can start raising capital through the IGE with a simple two-page form filed with the Secretary of State's Securities Division.** There are no continuing reporting obligations.

Georgia entrepreneurs and small business owners can use the IGE to raise up to \$5 million in a single offering. IGE filers can sell up to \$10,000 in securities to non-accredited Georgia investors, but can sell as much as they want, up to the offering limit, to accredited Georgia investors.

Businesses benefitting from the IGE do not need to be formed under the laws of the state of Georgia, i.e. be a domestic corporate entity. However, the corporation must be registered with the Georgia Secretary of State either as a foreign or domestic entity. All funds received during the offering must be deposited into a bank or depository institution authorized to do business in Georgia. The issuing businesses must also qualify as a "resident" of Georgia under Securities Division rules and regulations.

Businesses qualify if:

- 80% of gross revenues are derived from Georgia;
- 80% of assets are held in Georgia;
- 80% of the offering's proceeds are used in Georgia; or
- A majority of the issuer's employees are based in Georgia.

IGE companies can send out general solicitations to potential investors but can only offer and sell to Georgia residents.

IGE does not set limitations on the securities offered. IGE gives the issuer the freedom to set their own valuation for issuing equity or convertible notes, loans, etc.

The IGE has been used successfully by breweries, medical technology firms, real estate firms, manufacturers, restaurants, entertainment, and others. Over 100 companies have used it since its inception in 2011.

*"It has never been easier
to do business in Georgia."*

--SECRETARY OF STATE BRAD RAFFENSPERGER

